

Worldwide News Media "Chat" with Kaminski During Online Press Conference

OUSD(A&T)'s New *InterACQt* Website Drawing Increasing User Interest

COLLIE J. JOHNSON

On April 24, following the success of his Acquisition Reform Week "Chat" sessions, Dr. Paul G. Kaminski, Under Secretary of Defense (Acquisition and Technology), again logged on the Internet for a worldwide online press conference with members of the news media. Not only did the media get to ask questions, but through use of an innovative, interactive software called *iChat™*, the whole world could listen in.

This was a unique opportunity for Kaminski to share his summary perspectives on defense acquisition and technology issues as he prepared to leave office. It was also a chance to promote his new *InterACQt* Website, located on the *ACQWeb* Home Page, and allow the worldwide media an opportunity to use Internet technology to electronically question him on a wide range of topics.

Prior to the online press conference, OSD Public Affairs extended invitations to journalists from various domestic and foreign media organizations. However, the only active participants were those reporters who registered ahead of time. All other interested media, government, military, and private users were able to passively view the session, but could not ask questions. The moderator of the

session was Al Thomas, Office of the Director, Acquisition Program Integration. (Thomas will also moderate future *InterACQt* major events.) As moderator, he reviewed the questions first as they appeared on the screen, and then released each one to both Kaminski and the wider viewing audience.

Program Manager is pleased to present Kaminski's first and last online press conference with the worldwide news media while serving as Under Secretary of Defense (Acquisition and Technology).

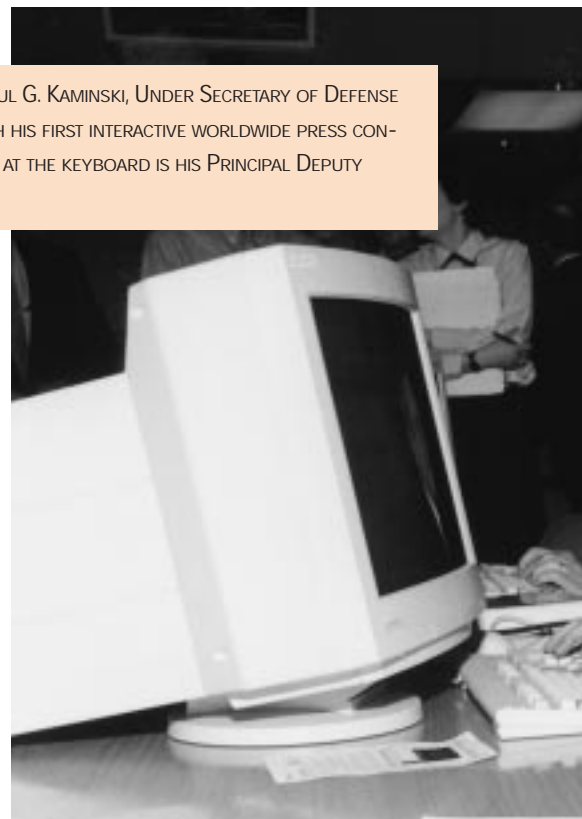
FOREFRONT: OBVIOUSLY ENJOYING HIMSELF, DR. PAUL G. KAMINSKI, UNDER SECRETARY OF DEFENSE (ACQUISITION AND TECHNOLOGY) GOES ONLINE WITH HIS FIRST INTERACTIVE WORLDWIDE PRESS CONFERENCE AT THE PENTAGON, APRIL 24. JOINING HIM AT THE KEYBOARD IS HIS PRINCIPAL DEPUTY UNDER SECRETARY, R. NOEL LONGUEMARE.

Q
Government Executive: *Program instability is one of the greatest challenges facing acquisition reformers. Even if DoD could implement a plan of fiscal guidance restraint and budget for contingencies and risk in programs, the funding process remains inherently political. To what extent do you really believe program stability can be achieved?*

A
First of all I agree with the premise of the question that part of the funding

process remains inherently political. But there also is another part of the process that is not fundamentally political. We can work to improve that piece of the process. Some means to do that are to provide prudent reserves in individual programs, as well as reserves to deal with the kinds of patterns of external forcing events (for example contingencies) that we have seen in the past.

Our experience shows that for every dollar we have to take out of a pro-



Johnson is Managing Editor, *Program Manager* magazine, Visual Arts and Press Department, Division of College Administration and Services, DSMC.

gram for reasons of instability, we end up putting \$3 back in. So the bottom line is, we are wasting money if we don't do our best to buffer those pieces of instability that are within our power to do so.

Q

Straits Times Singapore: Can you update us on the floating maritime projects in Northeast Asia?

A

I cannot give you a complete update in that this is a project being carried out by the Japanese Government. We are interacting and observing as they explore alternatives to meet our requirements, but the fundamental decisions taken will be those of the Japanese Government.

Q

Baltimore Sun: We read so much about innovative steps being taken to cut costs and increase cooperation between the Pentagon and contractors on various programs, and yet costs continue to rise and every defense dollar continues to buy less hardware. The F-22 is a good example of this. With all the new reforms, why

aren't taxpayers getting more for their money?

A

I believe that the taxpayers are getting more for their dollar. The F-22 will be a more expensive aircraft than the F15-C, which it will replace. The F-22 will be a considerably more capable aircraft, which is worth the added cost.

We have taken numerous steps to streamline that program and have launched a whole number of initiatives to further reduce the cost of production. There has been discussion of difference in estimates for the cost to go in the program. There is not any fundamental difference in the cost for R&D or the initial production lots. The issues revolve around the long-term production costs.

And the Air Force has launched a very aggressive program to attack those costs, and the industry team has signed up to that program. The intent here is to make up-front investments to reduce the long-term production costs. We may not be successful with every one of those initiatives, but our

intent goes to the heart of your question, which is to create incentives and push hard to produce the best value for the taxpayer.

Q

Government Executive: As a follow-up to [our previous question], are you concerned about the viability of pursuing three tactical fighter programs at this time, given current budget constraints and recent concerns about the cost of these programs, particularly the F-22?

A

Yes we are concerned. We are having a careful look at this in the QDR. A key issue here has to do with the phasing of these programs. We are not in fact pursuing these programs in lockstep on the same schedule.

The F-18EF has been flying for some time now, and we are beginning low-rate production. The F-22 will be having its first flight this fall. The JSF program is in a very early stage of technical demonstration. [MODERATOR CORRECTION: The F-22 will have its first flight in May 1997.]

We will take the next three years to demonstrate and validate the concept before we commit to a development program. We are working carefully in the JSF program to look at the requirements of our Air Force, Navy, and Marine Corps, and we are also working with our allies in an attempt to satisfy all of these requirements with one program that produces three designs, using common production facilities and common components.

If we can make this work, it will create a new paradigm for future affordable, tactical aircraft.

Q

Straits Times Singapore: Dr. Kaminski, can you comment on the status and impact of Unmanned Aerial Vehicles in the U.S. military?

A

First let me comment on the impact which I believe is already considerable,



and I expect it to grow even more in the future. We have found our Predator Vehicle to be invaluable in Bosnia. We have been using the Hunter UAV in our Force XXI experiments. We are learning more every day about the leverage these systems can provide to our Forces. The Marine Corps has also been using the Pioneer Vehicle in its warfighting experiments. The more we use these vehicles the more we are coming to appreciate their value.

Now with respect to the status...We are now putting the Predator vehicle into Rate Production. We have a family of endurance vehicles still in development. We rolled out the first Global Hawk Vehicle last month, and we expect First Flight late this fall. This is a vehicle with a whole new range of capabilities. For example, the ability to fly 3,000 miles, loiter at the target for 24 hours or more, and then return to base.

We have another endurance vehicle called Dark Star, which performs a similar mission but has enhanced survivability. The Dark Star has had its first flight. It experienced a control problem resulting in a crash on its second flight. We have recently reviewed the redesign to deal with the problems experienced, and Dark Star also is on track to begin flying again this fall.

Q
Government Executive: Please update us on the status of the dual use application program. What are the early indications, and how much support will DoD give the program in the future?

A
Our dual use program has two elements: a science and technology component and a component to use commercial technology to reduce operation and support costs (this is the COSSI program). We have sent out solicitations for both components, and have an excellent set of proposals back. We are now reviewing the COSSI proposals.

We have run into a problem with the COSSI effort, which is loss of the

funding in the recent House Markup. We believe this program has so much promise that we are working aggressively with the Congress to restore that funding in Conference.

We continue to believe that this COSSI program is plowing important new ground in taking off-the-shelf, commercially developed subsystems and components to reduce our operations and support costs.

Q
Aerospace Daily: Can Dr. Kaminski tell us what he thinks of the THAAD review team recommendations. Will there still be consideration of bringing a second source into the program to get the missile on track?

A
I received the independent review team briefing on April 18th. I agree with the conclusions of the review team. I am still examining all of the recommendations and more importantly, what we should do to follow up on each of the recommendations.

I have not made a final determination on specific follow-ups. I am expecting to review recommendations within the next week. At this point I believe we will have to undertake a significant restructuring of the THAAD program. I do not believe we should test again until we have satisfied ourselves with respect to the quality and qualification issues raised by the independent review team.

My estimate today is that this will take at least six months. I will be examining a range of options to include an assessment of options for greater commonality between the THAAD and the Navy Theaterwide Kill Vehicle.

Q
Government Executive: Many experts believe the future defense industrial base will be dominated by just a few megacompanies, and in many cases, will dwindle in certain product areas to just two or perhaps even one manufacturer. What are your concerns about such a

highly concentrated industrial base in terms of competition, technological innovation, and surge capability?

A
I have a strong interest in an industrial base which provides for competition, technological innovation, and some degree of surge capability. It is important to note that competition occurs and should occur at many levels. There may be instances where best value for our Forces and the taxpayer is obtained by having a single prime. In those situations I will insist on vigorous competition in the supporting subcontractor tiers.

I would generally prefer situations where we have competition at the prime contractor level as well. And my policy will be to preserve that top level competition, so long as the economics are sensible.

I expect to keep in place competition in the supporting tiers, and I have asked the Defense Science Board to carefully investigate the attendant issues by conducting a study on vertical integration. I expect that report to be released shortly, and I will plan a follow-up press conference to describe the policies we will be putting in place to deal with vertical integration.

Q
Straits Times Singapore: You mentioned enhancing international cooperation in your opening statement. Will this be extended to China as well?

A
Our policy is one of engaging with China. As part of this policy, we will consider cooperation as it makes sense.

Q
Straits Times Singapore: This is a follow-up question on THAAD. Can you elaborate on some of the recommendations you mentioned?

A
The first thing I've asked for is a set of program restructuring options to deal

with the recommendations provided by the Independent Review Team. One of the options I have explicitly requested would involve exploring a higher degree of commonality between the Kill Vehicles for THAAD and the Navy Theaterwide. My mind is still open as to whether or not this makes sense, but as one of the options I wish to consider as we restructure the program.

I should emphasize that the issues we are examining here relate to the missile and the Kill Vehicle, not the radar or the supporting command and control. We have been happy with the THAAD ground-based radar thus far.

Q
German Journalist: *To what extent will this top-level competition among prime contractors be open to foreign suppliers, beyond programs that are already in progress such as MEADS?*

A
I believe the way ahead for cooperative programs is to start at the beginning and rationalize our requirements with our partners. The next step involves forming Transatlantic teams. Those Transatlantic teams will serve as primes to provide for competition and innovation in creating designs to address those requirements. This allows us to share the development costs and to bring to bear our best and brightest industrial talent internationally.

Q
Straits Times Singapore: *It is interesting that you mentioned defence cooperation with China. This obviously means transfer of technology. Would this be acceptable to the American people and the U.S. defence industry?*

A
I disagree with the premise of this question. I do not believe that defense cooperation necessarily means transfer of technology.

Q
Straits Times Singapore: *Still on defence cooperation with China. If not transfer*

of technology, then what areas of cooperation?

A
There are many potential areas of cooperation that do not involve transfer of technology. For example, we can exercise our Forces together to understand issues of joint deployment in peacekeeping and stabilizing operations, to work out in advance issues of interoperability and communications. We can share and develop in common standards for the interoperability of our key systems, especially communications systems.

Q
Government Executive: *What can you tell us about QDR results to date? Are you satisfied with the process thus far? What areas have been most difficult to address?*

A
We are now in the difficult decision making phase of the QDR. I am very satisfied with the process thus far. Everything is on the table. I have been participating daily in meetings in which the SECDEF is personally and substantially engaged in these issues.

There have been many difficult areas to address—Tactical Air certainly is one of those. Perhaps the broadest issues involve the tradeoffs among force structure, modernization, and sustainment of our Forces in pursuit of the strategy that we have developed in the QDR.

Dr. Kaminski's Closing Statement
I want to thank you all for joining this session. I believe the DoD, along with our industry team, has made enormous progress in acquisition reform. I believe we are truly proceeding to do things *better, faster, and cheaper*. But we are not yet done. In fact we never will be done because in this world you are either moving ahead or falling behind. We expect to keep moving ahead.

The next challenge that lies ahead is fully institutionalizing these acquisition reforms and applying them not only to developing new equipment, but also to supporting all of the equip-

About *iChat*[™]

When Dr. Kaminski and other users access the OUSD(A&T) *InterACQ* Web site, they'll be using a plug-in for Netscape called *iChat*[™]. The OUSD(A&T) Information Management Group, led by David Lloyd, Chief, Applications Development, selected *iChat*[™] as the application best suited to provide Kaminski and his staff a means to communicate in real-time with other online users, both within and without the U.S. Department of Defense.

iChat[™] is an interactive application that lets users choose emotions to convey feelings, exchange images and files, or talk privately in special rooms. Basically, it makes your computer act like it's having a telephone conversation with one or more other people. The difference is you're not talking—you're all typing. You also have the ability to chat online and surf the World Wide Web (for resources to use in your chat session) without having to exit *iChat*[™].

The OUSD(A&T) ACQWeb Home Page (<http://www.acq.osd.mil>) is the host site for *InterACQ* (<http://www.acq.osd.mil/interact>). You'll need to configure your browser software, or arrange another means of connecting. Much more information is available in *InterACQ*'s "Get Connected" link.

Remember that some events like the April 24th Worldwide Online Press Conference require prior registration. Be sure to check the "Schedule of Events" link. Finally, read the "Rules of Engagement" link and observe good "netiquette."



ment currently in the field. I believe there is as much payoff yet to be gained in applying these reforms to logistics support as we have already obtained in their application to new equipment.

Thank-you.